



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

The biggest work of the Chamber of Commerce of the United States in the foreign trade field is unquestionably in the lines of developing solid sentiment for and understanding of the significance of foreign trade; contributing to the establishment, adoption and prosecution of sound national policies on foreign trade; and working for a better national equipment for the conduct of foreign business. Improving the facilities for foreign trade information work by the member organizations of the

National Chamber is one of its helpful functions. Through its publications, the Chamber itself spreads a great deal of vital information regarding foreign trade legislation, literature and topics of particular interest at a given time. It performs a certain amount of definite and specific service work with its individual and associate members. It aims at helping to solve acute problems and encouraging the development of the best standards of practice in American foreign trade.

The National Foreign Trade Council

By O. K. DAVIS

Secretary, National Foreign Trade Council

IN the early part of 1914, when the United States was undergoing one of those periodical depressions characterized by decreasing consumption, the leading business men of the country realized very forcibly that the manufacturing industries of the country had reached a point where more could be produced than could be consumed in the domestic market. The need for foreign markets became very real, very evident. Yet the United States was in no condition to expand its foreign trade. The majority of our manufacturers were frankly unsympathetic toward the development of foreign fields. The government, too, was interested chiefly in domestic problems. The American exporter was faced by an almost total lack of American tonnage, by an under-equipped and poorly-housed government trade service, and by commercial treaties of an uncertain nature.

Before there could be any real expansion of American foreign trade under such conditions, two things were necessary: the country at large had to be educated to the need for foreign trade

to insure domestic prosperity; and means had to be found of removing the legislative and commercial obstacles. No one of the factors concerned in the development of foreign trade could by itself secure the ear of the people and of the government. The situation required combined action of an impressive nature.

To bring about this coöperation and to provide a body whose deliberations would attract the necessary attention, a meeting was called at Washington in May, 1914, by the American Manufacturers' Export Association, the American Asiatic Association, and the Pan-American Society of the United States. There assembled some four hundred men who were the leaders in manufacturing, merchandising, agriculture, banking and transportation. They came from all parts of the country, and represented the small concerns as well as the large. This gathering received the support of the Secretaries of Commerce and State, and the delegates were received by the President. All aspects of the foreign trade situation were considered, and the final

declaration of the convention contained, as its main features, ideas which have been the rallying points of foreign trade discussion since.

Recognizing the need of a permanent non-political and non-partisan body able to formulate policies essential to foreign trade and to bring such policies to the attention of the whole country, this gathering authorized the formation of the National Foreign Trade Council with an initial membership of thirty (later increased to seventy-five).

The Council, whose membership includes manufacturers, merchants, farmers, railroad and steamship men, bankers and others, representing as nearly as possible all sections of the United States, provides no direct commercial service, its function being investigatory and advisory. It seeks to cooperate with all other organizations in the encouragement of sound national foreign trade policy. The members support the work of the Council as a public duty.

The Council was authorized specifically by the resolution creating it to call a Second National Foreign Trade Convention, and such annual conventions have become a leading feature of the Council's work. The second convention was held at St. Louis. Subsequent conventions were at New Orleans, Pittsburgh, Cincinnati, Chicago and San Francisco. The eighth convention will be held in May in Cleveland.

There has been a gradual widening in the scope of the program of these conventions, until they have become the one regular assemblage exclusively devoted to foreign trade, which represents the mutual interests of manufactured and natural products, industry, merchandising, transportation and finance. The published proceedings of the seven conventions thus far held are acknowledged to contain a greater

amount of authoritative and well digested information on foreign trade problems than is obtainable in any other volume.

Year by year since the formation of the National Foreign Trade Council its effectiveness has increased and its influence has expanded. Among its activities may be enumerated the following, which are only representative of its many other interests:

War Emergency. Investigation of shipping congestion begun by a special merchant marine committee the day following the outbreak of the European war. A special meeting of the Council at New York, August 10, 1914, resulted in a vigorous call for enactment of ship registry legislation, establishment of war risk insurance, and a declaration in favor of cooperative effort by all interests for restoration of normal exchange. The conclusions commanded instant support throughout the United States and encouraged prompt enactment of the necessary legislation by Congress.

In the emergency conference called by the Secretary of the Treasury at Washington, August 14, 1914, members of the Council were requested to assist in drafting regulations providing for the expeditious transfer of foreign-built ships to the American flag under the ship registry laws. To this the smooth operation of the registry law is largely due.

Dollar Exchange. To meet difficulties of Latin-American trade, and to encourage the establishment of dollar exchange, the Council urged the Federal Reserve Board to give early effect to the regulations providing for the rediscount of foreign paper. This was done and dollar exchange has been utilized to an unprecedented extent in Latin-American trade.

Latin-American Trade. Participation of the committee representing the

Council in the Latin-American trade conference called by the Secretaries of State and Commerce at Washington, September 10, 1915. The committee offered a report arising from the co-operation with the Latin-American exporters and importers, and this resulted in the appointment by the Secretary of Commerce of a national Latin-American trade committee of nineteen, including a large number of members of the Council. This committee in turn adopted a further report on Latin-American trade, recommending ways and means for establishment of dollar exchange and setting forth the fundamentals, such as investment, coöperation, etc., necessary for an increase of United States commerce with Latin America. It pointed out the difficulties as well as the opportunities in Latin-American trade and emphasized the need for improved credit machinery before existing trade could be handled, to say nothing of future business. Many manufacturers and merchants were dissuaded from hasty invasion of Latin-American markets, which might have resulted disastrously and reacted on the cause of sound foreign trade extension.

Support of the Department of Commerce and Consular Service. The Council has been unremitting in its advocacy of increased resources for efficiency of the already effective Department of Commerce and the Consular Service, which render valuable aid to all business engaged in or affected by foreign trade. The Council has issued special reports urging increased appropriations for these services, which were in part granted by Congress. A practical and successful effort was made in behalf of a suitable building for the United States Consulate General at Shanghai. The principle of acquisition of suitable embassy and legation buildings and consulates where

needed is constantly advocated by this organization.

Exports Control. Upon the American declaration of war against Germany the National Foreign Trade Council, through its Committee on Exports Control, coöperated with the government in the earnest effort to assist in the accomplishment of the chief purposes of the exports control law, namely, the prevention of aid to the enemy, directly or indirectly, through neutrals, or through enemy traders, and the conservation of tonnage and war materials for ourselves and our Allies.

When the Armistice was signed, the Council was bending every energy to the expansion of exports of high value and relatively small bulk, especially to the neutral markets of the Far East and South America, in order to secure prompt and substantial improvement of the adverse exchange situation then obtaining with those regions.

Immediately following the signing of the Armistice, the Council, through its Committee on Exports Control, joined with other associations in efforts to secure the prompt relaxation of trade restrictions by the War Trade Board, and the largest possible allotment of merchant ships to commercial service by the Shipping Board and the War Department. These efforts were attended by a substantial measure of success. Close touch was kept with the situation at Washington until practically complete relaxation of war restrictions was obtained.

Production for Foreign Trade. The absorption of American producers generally in war work, and their energetic coöperation with various branches of the government which were vigorously stimulating war production, had caused a renewal of the old tendency among American manufacturers to disregard foreign trade for the domestic

market. This was a matter which called for effective action by the National Foreign Trade Council. In all ways available to it, by correspondence, by personal interview, public address and through its various means of publicity, the Council was unremitting in its efforts to emphasize the ultimate danger of present neglect of foreign connections.

Problems of Smaller Foreign Traders. Much of the work of the Council is concerned with legislation and the creation of a public opinion on the necessity of an overseas trade, and the Council has never lost sight of the importance of having our smaller manufacturers and merchants participate in foreign trade. In response to the numerous inquiries which it has received from all over the country, the Council prepared a small pamphlet on *Starting to Export*, setting forth in brief analysis the elementary steps to be taken in entering export trade, the sources of information to be consulted, and the policies to be observed.

Export Quotations. As a result of frequent disputes arising out of the misuse of the term "F. O. B. (Port)," the Council, in coöperation with other important foreign trade associations, prepared a series of definitions of export quotations and recommendations for a standard American export practice. These were embodied in a pamphlet entitled *American Foreign Trade Definitions*, over 100,000 of which have been distributed in this country and abroad.

As a result of this standardization of terms, the Council has been able to awaken so great an interest in correct

foreign trade technique, that many problems and disputes involving the use of trade terms are being submitted for the Council's opinion and decision.

Improved Foreign Communications. In the summer of 1919, a Committee on Foreign Communications was appointed to deal especially with the situation arising out of the great congestion on the trans-Pacific cable and wireless. At its first meeting, this committee adopted a resolution declaring against government ownership or operation of trans-oceanic systems of communication, and urging the prompt return to their owners of such commercial wireless systems as were still under government control. The committee also recommended that, pending the return of the commercial radiostations to their owners for operation, the use of the naval radio stations in commercial service be continued. There is reason to believe that the activity of the Council's committee had material influence in bringing about the improvement of conditions in trans-Pacific communication and in securing the promise of better facilities for the future.

Foreign Trade Education. The National Foreign Trade Council has always taken the most active interest in the development of adequate facilities for foreign trade education. The Council has lost no opportunity to coöperate actively with the large number of educational institutions all over the country which are engaged effectively in preparing young men for foreign service. The subject of Education for Foreign Trade is always a feature of the Foreign Trade Conventions.